

## House Bill 19

Examples of Penalties and Interest - Current Law and as Amended by HB19

*In all of the examples the taxpayer owes \$1,000 and is 6 1/2 months late in filing and/or paying taxes owed.***Purposely or Knowingly Fails to File a Return**

15-1-206 (4) - This penalty is in addition to other penalties and interest.

*Taxpayer is an individual income taxpayer that knows they must file but purposely does not.*

	Tax Due	Late File Penalty 15-1-206 (1)(a)	Late Pay Penalty 15-1-206 (2)(a)(i)	Interest 15-1-206 (7)(a)(i)	Purposely or Knowingly Fails to File Penalty 15-1-206 (4)	Total
Current Law	\$ 1,000	\$ 50	\$ 84	\$ 43	\$ 1,000	\$ 2,177
HB19	\$ 1,000	\$ 218	\$ 32	\$ 16	\$ 750	\$ 2,016

Difference between Current Law and HB19	\$ (161)
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**Fraudulent Return is Filed**

15-1-206 (5) - This penalty is in addition to other penalties and interest.

*Taxpayer is an individual income taxpayer that files a fraudulent return claiming that they only owe \$1,000 when in fact they owe \$2,000. This action is an intentional act not a simple misstatement of income earned.*

	Tax Due	Late File Penalty 15-1-206 (1)(a)	Late Pay Penalty 15-1-206 (2)(a)(i)	Interest 15-1-206 (7)(a)(i)	Fraudulently Filed Return Penalty 15-1-206 (5)	Total
Current Law	\$ 1,000	NA	\$ 84	\$ 43	\$ -	\$ 1,127
HB19	\$ 1,000	NA	\$ 32	\$ 16	\$ 750	\$ 1,798

Difference between Current Law and HB19	\$ 671
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**Frivolous Return is Filed**

15-1-206 (6) - This penalty is in addition to other penalties and interest.

*Taxpayer is an individual income taxpayer that files a tax return in which the information on the return has been determined by the IRS or courts to be frivolous. One example of a frivolous position is that wages, tips or other compensation for the performance of personal services are not taxable.*

	Tax Due	Late File Penalty 15-1-206 (1)(a)	Late Pay Penalty 15-1-206 (2)(a)(i)	Interest 15-1-206 (7)(a)(i)	Frivolous Filed Return Penalty 15-1-206 (6)	Total
Current Law	\$ 1,000	NA	\$ 84	\$ 43	\$ -	\$ 1,127
HB19	\$ 1,000	NA	\$ 32	\$ 16	\$ 2,500	\$ 3,548

Difference between Current Law and HB19	\$ 2,421
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